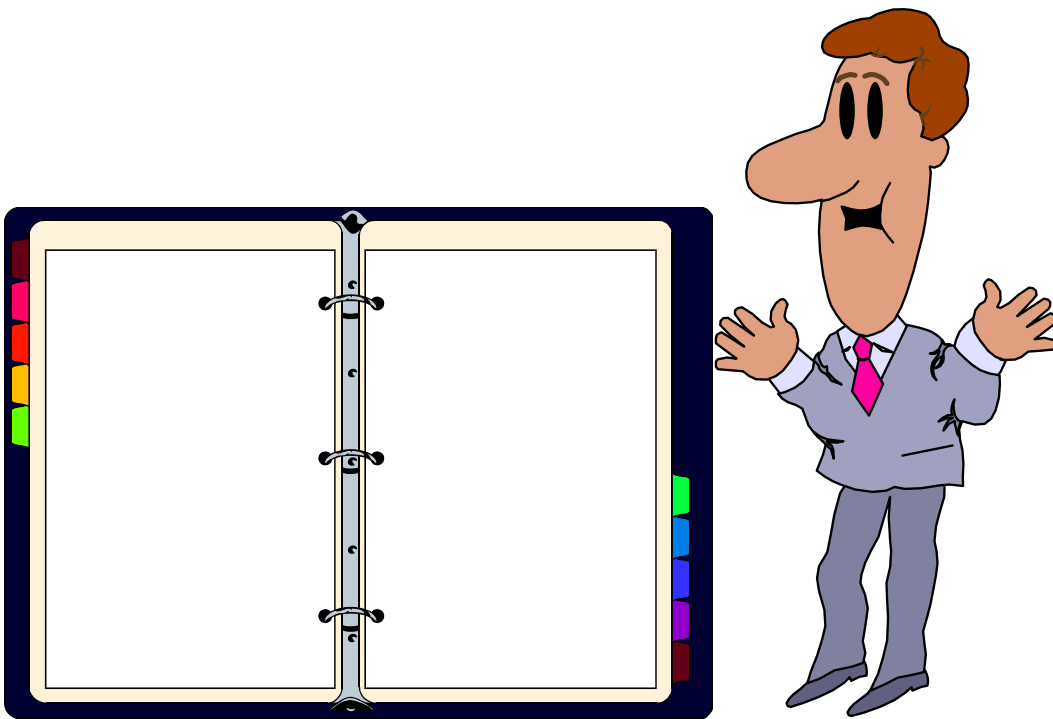


APPRAISER/AUDITOR TRAINING COURSE CATALOG



Property Tax Division
Utah State Tax Commission

2004

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Introduction

This catalog details the appraiser/auditor training program conducted by the Property Tax Division of the Utah State Tax Commission. The training is an integral element of the division mission of administering an effective and equitable property tax system.

If you have questions regarding the education classes or the Tax Commission Designations, call Ron Smith, Property Tax Education Coordinator at (801) 297-3691.

**Designation and Continuing Education
Course Offerings
2004**

Course 21, USPAP – 1 day Course
St. George, Utah January 9, 2004

Course A, Assessment Practice in Utah
Salt Lake City, Utah January 12-16, 2004

Course H (WSATA**100)
Principles of Unitary Appraisal
Logan, Utah January 25-30, 2004

Course 60 (WSATA**101)
Advanced Unitary Appraisal
Logan, Utah January 25-30, 2004

Course 61 (WSATA**200)
Principles of Property Tax Auditing
Logan, Utah January 25-30, 2004

Course 27, Storage Unit Seminar
Salt Lake City February 4, 2004

Course 28, Manufactured Home Seminar
Salt Lake City February 5, 2004

Course 21, USPAP – 1 day Course
Salt Lake City February 6, 2004

Course B (IAAO* Course 101)
Fundamentals of Real Property Appraisal
Salt Lake City February 9-13, 2004

Course 22, FAA Program Administration
Salt Lake City March 9 – 10, 2004 (subject to change)

Course 23, Appraisal Principles and Practices Seminar
Salt Lake City March 2-3, 2004

Course 24, Utah Property Tax Administration Seminar
St. George, Utah March 30 – 31, 2004

Course C, Mass Appraisal of Land
Salt Lake City June 14-18, 2004

Course 25, Assessment/Sales Ratio Seminar
Salt Lake City June 21, 2004

Course 23, Appraisal Principles and Practices Seminar
Salt Lake City June 29-30, 2004

Course D, Building Analysis / Valuation
Salt Lake City July 12-16, 2004

Course 24, Lodging Properties Valuation Seminar
Salt Lake City July 29, 2004

Course E (IAAO* Course 102)
Income Approach to Valuation
Salt Lake City August 9-13, 2004

Course G, Personal Property Valuation
Salt Lake City August 30 – September 3, 2004

Course J – 2 day USPAP Course
Salt Lake City October 5-6, 2004

Course 21 - 1 – Day USPAP
Salt Lake City October 15, 2004

Course K – Income Approach Application
Salt Lake City November 16-19, 2004

Assessors School Salt Lake City December 1-3, 2004

*International Association of Assessing Officers

**Western States Association of Tax Administrators

PROPERTY TAX COURSE DESCRIPTION

Course A, *Assessment Practices in Utah*; qualifies for 30 hours of licensing education. No prerequisite.

This course introduces the appraiser to Utah assessment laws and practices for centrally assessed and locally-assessed property. Appraisal practices regarding F.A.A. and sales ratio analysis are introduced as well as exemptions, appeals and appraiser licensing information.

Course "B" (IAAO 101) *Fundamentals of Real Property*; qualifies for 30 hours of licensing education. No prerequisite.

IAAO 101 is the introductory course for real estate appraising, emphasizing the cost and sales comparison approach to value. Appraisal principles and procedures are introduced as well as land valuation, effective tax rates and ad valorem appraisal principles.

Course C, *Mass Appraisal of Land*; qualifies for 30 hours of licensing education. Prerequisite: Courses A and B.

This course introduces the student to the principles of mass appraisal in the valuation of land. Various methods of valuing land are learned, along with the development and application of a land valuation guideline.

Course D, *Building Analysis/Valuation*; qualifies for 30 hours of licensing education. Prerequisite: Courses A and B.

This course teaches building valuation with emphasis on the single-family residence. It is taught from an ad valorem perspective, but centers on the inspection, description, data collection and valuation of improvements.

Course E (IAAO 102), *Income Approach to Valuation*; qualifies for 30 hours of licensing education. Prerequisite: Courses A and B.

This IAAO course introduces the appraiser to the Capitalized Income Approach to value. Students learn the principles of income analysis, capitalization rate development, gross rent multipliers, and historical and contemporary capitalization methods.

Course G, *Personal Property Valuation*; qualifies for 30 hours of continuing education and is required for the Property Tax Division ad valorem designation for personal property appraisers. Prerequisite: Course A.

This course introduces the appraiser to the principles and procedures of personal property appraisal including all three approaches to value. Students also learn the development and application of the percent good tables and personal property auditing principles.

Course H, ***Principles of Unitary Appraisal***; (WSATA 100), qualifies for 30 hours of licensing education. No prerequisites.

This course offers a comprehensive treatment of unitary appraisal principles for beginning appraisers. Topics covered include the unitary appraisal concept, cost approach, income approach, stock and debt approach, market approach, and reconciliation of value indicators.

Course 60, ***Advanced Unitary Appraisal***; (WSATA 101), qualifies for 30 hours of continuing education. Prerequisite: Course H.

This course is designed for advanced students of unitary appraisal theory. Topics, which change annually, include intangible property identification and value, bundling of telecommunications services, defining the unit and cost of equity calculations.

Course 61, ***Advanced Unitary Appraisal***; (WSATA 200), qualifies for 30 hours continuing education. Prerequisite: Course H.

This course is designed to give students exposure to a complete basic audit program. Students will perform a simulated audit of a fictitious utility company involving a series of case problems, workshops, role-playing and written assignments. Persons successfully completing the examination will qualify to make joint audits for the Multi State Tax Commission Property Tax Audit Program.

Course J – ***USPAP***; qualifies for 15 hours of licensing education. No prerequisite.
2-Day class

A Class on the Uniform Standards of Appraisal Practices (USPAP) is required as part of the appraiser pre-licensing curriculum. This course discusses the 10 standards, the rules, definitions and advisory opinions relating to appraisal.

Course K, ***Income Approach Application***; qualifies for 30 hours of licensing education. Prerequisite: Recent completion of Course “E” Income Approach to Valuation.

Course K requires a thorough understanding of the principles taught in Course E, The Income Approach to Value. In class, students will apply those principles to the real life development of a commercial valuation guideline using actual data from an actual city.

Course 21, - ***1 day USPAP***; Prerequisite: DRE Appraiser licensing or certification, qualifies for 7 hours of continuing education. This course is required for all licensed or certified appraisers each renewal period. Students will review the basics of USPAP and then learn recent changes and study special USPAP topics and problems.

Course 22, ***FAA Program Administration***; qualifies for 14 hours of continuing education. No prerequisite.

This two-day seminar teaches the fundamentals of the valuation of agricultural land by the income

approach on an ad valorem basis. Also learned are the laws and rules governing Utah's Farmland Assessment Act and relationship of value in use to market value.

Course 23, ***Appraisal Principles and Practices Seminar***; Qualifies for 14 hours of continuing education. Prerequisite: All education and experience for DRE licensing

This seminar is designed to help students prepare for the Division of Real Estate comprehensive licensing examination. Topics include appraisal terms, definitions, principles, the three approaches to value, and USPAP.

Course 24, ***Utah Property Tax Administration***, Qualifies for 7 hours of continuing education, no prerequisite.

This seminar is designed for all county officials and staff involved with property tax administration. The course covers tax rate setting process, board of equalization, tax collection and distribution, FAA administration, tax sale, exemptions and various property tax resources. Co-sponsored by Utah Association of Counties.

Course 25, ***Assessment/Sales Ratio Seminar***. Qualifies for 7 hours of continuing education. No Pre-requisite

This course provides the student with an overview of the statutes, administrative rules, standards and guidelines, which govern the sales ratio program. The course will also spend time teaching the math used in developing and analyzing the statistics to determine assessment level and dispersion.

Course 26, ***Lodging Properties Valuation Seminar***, qualifies for seven hours of continuing education. No prerequisite.

This one-day seminar outlines the principles and methodology of valuing lodging properties, specifically motels. A case study centering on the sales comparison approach is used, and valuation techniques peculiar to motels, such as ADR and vacancy calculations, are introduced.

Course 27, ***Storage Unit Valuation Seminar***, qualifies for seven hours of continuing education. No prerequisite.

The seminar will cover the valuation of self-storage units using all three approaches to value. The main emphases will be placed on the valuation using the income approach to value. The various types of construction and use of self-storage units will be discussed.

Course 28, ***Manufactured Housing Valuation Seminar***, qualifies for seven hours of continuing education. No prerequisite.

This seminar teaches the valuation and classification of manufactured housing, including identification, inspection, and the three approaches to value. Also discussed are mass appraisal techniques involving the sales comparison approach.

Tax Commission Designations

The Property Tax Division of the Utah State Tax Commission has responsibility for training appraisers and auditors to value property for taxation purposes.

Utah Code Annotated 59-2-701

59-2-701. Appraisal by certified appraisers only - Certification of elected county assessors.

(1) Any person performing an appraisal for purposes of establishing fair market value of real estate or real property for the assessment roll shall be the holder of an appraiser's certificate of license issued by the Division of Real Estate under Title 61, Chapter 2b, except uncertified or unlicensed, appraiser trainees may, for up to 36 months after the date of hire or appointment as an appraiser trainee, appraise property under the direction of a holder of an appraiser's certificate or license issued by the division.

(2) The limitations on appraisal authority under Subsections 61-2b-10(1) and (2) and Section 61-2b-13 do not apply to a person performing an appraisal for purposes of establishing fair market value for the assessment roll.

(3) The commission may prescribe additional requirements for any person performing an appraisal for purposes of establishing fair market value for the assessment roll.

(4) The commission may, by rule, establish qualifications for personal property appraisers exempt from registration under Title 61, Chapter 2b, Real Estate Appraiser Licensing and Certification Act.

(5) It is the duty of a county assessor, as established in Section 17-17-1, to ensure that the assessor's office is in compliance with this section and any additional rules or requirements for property appraisers established by the commission.

Utah Code Annotated 59-2-702

59-2-702. Education and training of appraisers - Continuing education for appraisers and county assessors.

(1) The commission shall conduct, at its own expense, a program of education and training of appraisal personnel preparatory to the examination of applicants for appraisers' and assessors' certification or licensure required by Section 59-2-701.

(2) To ensure that the assessment of property will be performed in a professional manner by competent personnel, meeting specified professional qualifications, the commission shall conduct a continuing program of in-service education and training for county assessors and property appraisers in the principles and practices of assessment and appraisal of property. For this purpose the commission may cooperate with educational institutions, local, regional, state, or national assessors' organizations, and with other appropriate professional organizations. The commission may reimburse the participation expenses incurred by assessors and other employees of the state or its subdivisions whose attendance at in-service training programs is approved by the commission.

Utah Code Annotated 17-17-2

17-17-2. Assessor to be state qualified.

(1) In addition to the requirements of Section 17-16-1, any person elected to the office of county assessor after November 1, 1993, shall be a state-licensed or state-certified appraiser as defined in Title 61, Chapter 2b, prior to the expiration of 36 months from the day on which his term of office begins.

(2) (a) If an assessor fails to meet the requirement of this section, the assessor's office is automatically vacant.

(b) (i) In the event of a vacancy under this section, the county executive shall fill the vacancy in the manner provided for in Sections 17-5-216 and 20A-1-508. However, a person selected to fill the vacancy must be a state-licensed or state-certified appraiser within six months after assuming the office of county assessor.

(b) (ii) If a state-licensed or state-certified appraiser cannot be found to fill a vacancy which resulted from the requirements of this section, the county executive may contract with a state-licensed, or state-certified appraiser from outside the county to fill the remainder of the term in the office of county assessor.

Utah Administrative Rule R884-24P-19

R884-24P-19. Appraiser Designation Program Pursuant to Utah Code Ann. Sections [59-2-701](#) and [59-2-702](#).

A. "State Licensed Appraiser", "State Certified General Appraiser," and "State Certified Residential Appraiser" are as defined in Section 61-2b-2.

B. The ad valorem training and designation program consists of several courses and practica.

1. Certain courses must be sanctioned by either the International Association of Assessing Officers (IAAO) or the Western States Association of Tax Administrators (WSATA).

2. Most courses are one week in duration, with an examination held on the final day. The courses comprising the basic designation program are:

- a) Course A - Assessment Practice in Utah;
- b) Course B - Fundamentals of Real Property Appraisal (IAAO 101);
- c) Course C - Mass Appraisal of Land;
- d) Course D - Building Analysis and Valuation;
- e) Course E - Income Approach to Valuation (IAAO 102);
- f) Course G - Development and Use of Personal Property Schedules;
- g) Course H - Appraisal of Public Utilities and Railroads (WSATA); and
- h) Course J - Uniform Standards of Professional Appraisal Practice (USPAP).

3. The Tax Commission may allow equivalent appraisal education to be submitted in lieu of Course B, Course E, and Course J.

C. Candidates must attend 90 percent of the classes in each course and pass the final examination for each course with a grade of 70 percent or more to be successful.

D. There are four recognized ad valorem designations: Ad Valorem Residential Appraiser, Ad Valorem General Real Property Appraiser, Ad Valorem Personal Property Auditor/Appraiser, and Ad Valorem Centrally Assessed Valuation Analyst.

1. These designations are granted only to individuals working as appraisers, review appraisers, valuation auditors, or analysts/administrators providing oversight and direction to appraisers and auditors.

2. An assessor, county employee, or state employee must hold the appropriate designation to value property for ad valorem taxation purposes.

E. Ad Valorem Residential Appraiser.

1. To qualify for this designation, an individual must:

- a) successfully complete Courses A, B, C, D, and J;
- b) successfully complete a comprehensive residential field practicum; and
- c) attain and maintain state licensed or state certified appraiser status.

2. Upon designation, the appraiser may value residential, vacant, and agricultural property for ad valorem taxation purposes.

F. Ad Valorem General Real Property Appraiser.

1. In order to qualify for this designation, an individual must:

- a) successfully complete Courses A, B, C, D, E, and J;
- b) successfully complete a comprehensive field practicum including residential and commercial properties; and
- c) attain and maintain state licensed or state certified appraiser status.

2. Upon designation, the appraiser may value all types of locally assessed real property for ad valorem taxation purposes.

G. Ad Valorem Personal Property Auditor/Appraiser.

1. To qualify for this designation, an individual must successfully complete:

- a) Courses A, B, G, and J; and

- b) a comprehensive auditing practicum.
 - 2. Upon designation, the auditor/appraiser may value locally assessed personal property for ad valorem taxation purposes.
- H. Ad Valorem Centrally Assessed Valuation Analyst.
- 1. In order to qualify for this designation, an individual must:
 - a) successfully complete Courses A, B, E, H, and J;
 - b) successfully complete a comprehensive valuation practicum; and
 - c) attain and maintain state licensed or state certified appraiser status.
 - 2. Upon designation, the analyst may value centrally assessed property for ad valorem taxation purposes.
- I. If a candidate fails to receive a passing grade on a final examination, one re-examination is allowed. If the re-examination is not successful, the individual must retake the failed course. The cost to retake the failed course will not be borne by the Tax Commission.
- J. A practicum involves the appraisal or audit of selected properties. The candidate's supervisor must formally request that the Property Tax Division administer a practicum.
- 1. Emphasis is placed on those types of properties the candidate will most likely encounter on the job.
 - 2. The practicum will be administered by a designated appraiser assigned from the Property Tax Division.
- K. An appraiser trainee referred to in Section 59-2-701 shall be designated an ad valorem associate if the appraiser trainee:
- 1. has completed all Tax Commission appraiser education and practicum requirements for designation under E., F., and H.; and
 - 2. has not completed the requirements for licensure or certification under Title 71, Chapter 2b, Real Estate Appraiser Licensing and Certification.
- L. An individual holding a specified designation can qualify for other designations by meeting the additional requirements outlined above.
- M. Maintaining designated status requires completion of 28 hours of Tax Commission approved classroom work every two years.
- N. Upon termination of employment from any Utah assessment jurisdiction, or if the individual no longer works primarily as an appraiser, review appraiser, valuation auditor, or analyst/administrator in appraisal matters, designation is automatically revoked.
- 1. Ad valorem designation status may be reinstated if the individual secures employment in any Utah assessment jurisdiction within four years from the prior termination.
 - 2. If more than four years elapse between termination and rehire, and
 - a) the individual has been employed in a closely allied field, then the individual may challenge the course examinations. Upon successfully challenging all required course examinations, the prior designation status will be reinstated; or
 - b) if the individual has not been employed in real estate valuation or a closely allied field, the individual must retake all required courses and pass the final examinations with a score of 70 percent or more.
- O. All appraisal work performed by Tax Commission designated appraisers shall meet the standards set forth in section 61-2b-27.
- P. If appropriate Tax Commission designations are not held by assessor's office personnel, the appraisal work must be contracted out to qualified private appraisers. An assessor's office may elect to contract out appraisal work to qualified private appraisers even if personnel with the appropriate designation are available in the office. If appraisal work is contracted out, the following requirements must be met.
- 1. The private sector appraisers contracting the work must hold the State Certified Residential Appraiser or State Certified General Appraiser license issued by the Division of Real Estate of the Utah Department of Commerce. Only State Certified General Appraisers may appraise

nonresidential properties.

2. All appraisal work shall meet the standards set forth in Section 61-2b-27.

Q. The completion and delivery of the assessment roll required under Section 59-2-311 is an administrative function of the elected assessor.

1. There are no specific licensure, certification, or educational requirements related to this function.

2. An elected assessor may complete and deliver the assessment roll as long as the valuations and appraisals included in the assessment roll were completed by persons having the required designations.

**Department of Commerce
Division of Real Estate
Appraiser Licensing Program**

| Category | | State Licensed | State-Certified Residential | State-Certified General |
|-----------------------------|--|---|---|---|
| Full-Time Experience | | 2 Years 400 Points | 2 ½ Years 500 Points | 3 Years 600 Points |
| Education | | 90 hours | 120 hours | 180 hours |
| Examination | | Yes | Yes | Yes |
| Authority | | A. State Licensed Appraisers may perform appraisals of non-complex one to four residential units having a transaction value of less than \$250,000, vacant or unimproved land utilized for one to four family purposes if capitalization analysis is not required | A. May give a certified appraisal report on one to four residential units not requiring a net income capitalization analysis. B. May give a certified appraisal report on lots, vacant land, and subdivisions not requiring a discounted cash flow analysis. | May appraise all types of residential and non-residential real estate |
| Continuing Education | | 28 Hours required each renewal period | | |
| USPAP | | 7 hour update class required each renewal period | | |